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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965

No. 475

GREAT LAKES CARBON CORPORATION, *Petitioner,*

v.

CONTINENTAL OIL COMPANY, UNION CARBIDE CORPORATION ET AL., *Respondents.*

PETITION FOR WRIT OF CERTIORARI

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CONTINENTAL OIL COMPANY, UNION CARBIDE CORPORATION ET AL., *Respondents.*

PETITION FOR WRIT OF CERTIORARI

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Great Lakes Carbon Corporation, prays that a writ of certiorari issue to review and vacate the Judgment (Appendix, page 15a) of the United States Court of Appeals for the Fifth Circuit rendered and entered May 17th, 1965 in the above styled cause.

Petitioner avers that the Court of Appeals has failed to apply the applicable rule of evidence of this Court set forth in *Clark* v. *United States,* 289 US 1, 15;

and has so far departed from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

This Petition is concerned with certain documents which came from the files of Roy C. Hackley, Jr., one of the attorneys for Continental Oil Co., one of the Respondents. These documents were held by the United States District Court for the Western District of Louisiana to be subject to attorney-client privilege. They are under seal, and have never been seen by Petitioner. They are referred to, hereinafter, as the documents of PX-208, being so identified at the trial when they were offered in evidence.

OPINIONS OF COURTS BELOW

The proceedings in the District Court on February 2, 1959, with respect to the documents of PX-208 are set forth in the Record, Vol. I, pp. 52-103. The Opinion of the District Court about the documents was rendered March 18, 1959 and is in the record, Vol. I, pp. 24-30; the Order of the District Court of May 11, 1959 about the documents is in the Record, Vol. I, pp. 31-34, and the ruling of the District Court, by a letter to counsel dated July 2, 1959, is in the Record, Vol. I, pp. 35-51. The documents were ordered to be sealed and made a part of the appeal record. See Order (R. Vol. IV. pp. 125-126).

The Opinion[1] of the District Court on the merits of the Complaint is set forth in the Record, Vol. IV,

[1] Nine copies of the Record as printed for use in the Court of Appeals below are being filed with this Petition. Hence the District Court's Opinion on the merits, as well as the proceedings in the District Court with respect to the documents of PX-208, are not being printed in the Appendix to this Petition.

page 51, and is reported at 219 F. Supp. 468. It was rendered June 21, 1963.

Upon the appeal being lodged in the Court of Appeals, Petitioner brought a Motion (Appendix, page 1a) for an intermediate Order of the Court of Appeals granting Counsel for Petitioner the right to inspect the documents of PX-208.

On October 24th, 1963, the Court of Appeals entered an Order (Appendix, page 9a) authorizing a hearing on Petitioner's Motion.

The Motion was heard on January 7th, 1964. An Opinion (Appendix, page 10a) was rendered June 9th, 1964 and is reported at 332 F. 2d 588. Decision on the point of law was postponed until the hearing of the cause on the merits.

The hearing on the merits of the appeal was held January 4th, 1965.

A *per curiam* Opinion on the merits (Appendix, page 13a) was rendered May 17th, 1965 and is reported at 345 F. 2d 175.

A Petition for Rehearing (Appendix, page 16a) was filed May 27th, 1965.

The Petition for Rehearing was denied by an Order (Appendix, page 18a) on June 9th, 1965. No Opinion was rendered in connection with the Petition for Rehearing.

JURISDICTION

This is a suit for patent infringement, coupled with a suit for unfair competition. The suit arises under the laws of the United States, Title 28, U.S. Code, Sections 1338(a), 1338(b), and 1400(b).

The jurisdiction of this Court is invoked under Title 28, U.S. Code, Section 1254.

QUESTIONS PRESENTED

1. Did the Court of Appeals err in sustaining a claim of privilege when it failed to rule expressly whether the privilege with respect to the documents of PX-208 had taken flight under the rule of evidence of *Clark* v. *United States,*[2] 289 US 1?

2. Is the decision of the Court of Appeals as to privileged documents so much in conflict with a decision of a different division of the same Court of Appeals (though a quorum of the same judges), affirming (at 263 F. 2d 5) Judge Wright's decision in *Seismograph*

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[2] "There is a privilege protecting communications between attorney and client. The privilege takes flight if the relation is abused. A client who consults an attorney for advice that will serve him in the commission of a fraud will have no help from the law. He must let the truth be told. There are early cases apparently to the effect that a mere charge of illegality, not supported by evidence, will set the confidences free. (Cases cited.) But this conception of the privilege is without support in later rulings. 'It is obvious that it would be absurd to say that the privilege could be got rid of merely by making a charge of fraud.' (Cases cited.) To drive the privilege away, there must be 'something to give colour to the charge'; there must be 'prima facie evidence that it has some foundation in fact.' (Case cited) When that evidence is supplied, the seal of secrecy is broken."

—*Clark* v. *United States,* 289 U.S. 1, 15, 77 L. Ed. 993, 1000.

Service Corp. v. *Offshore Raydist,*[3] 135 F. Supp. 342, as to warrant the exercise of supervisory power by this Court?

3. Where, at the hearing of this cause in the Court of Appeals, one of the Circuit Judges announced from the bench (with the other two judges seeming to agree, *sub silentio*) that Respondents had lost their right to rely on privilege with respect to the documents of PX-208 because Hackley had "tarred himself" by filing a false oath in the Patent Office, and where, in a later *per curiam* Opinion, the Court of Appeals denied Petitioner's Motion to inspect the documents of PX-208 without mentioning the announcement and without mentioning the question as to when privilege takes flight, has the Court of Appeals committed such error as to warrant this Court vacating the *per curiam*

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[3] Judge Wright's Order in the *Seismograph* case included the following:

> "REASONS: The theory of the defendant's case is that the plaintiff has committed a fraud on its rights in connection with the patents in suit. While this information elicted by discovery so far in this case does not, by any means, establish the charge as a fact, sufficient information has been disclosed to break the seal of secrecy respecting the privilege and to let the light in. Clark v. United States, 289 U.S. 1; ALI, Model Code of Evidence, Rule 212."

The *American Law Institute, Model Code of Evidence,* upon which Judge Wright relied in his Order in the *Seismograph* case, reads as follows:

> "Rule 212. LAWYER-CLIENT PRIVILEGE; COMMUNICATION IN AID OF CRIME OR TORT.
>
> "No person has any privilege under Rule 210 if the judge finds that sufficient evidence, aside from the communication, has been introduced to warrant a finding that the legal service was sought or obtained in order to enable or aid the client to commit or to plan to commit a crime or a tort."

Opinion and remanding the cause to the Court of Appeals for an opinion on the point of law as to whether the rule of evidence of *Clark* v. *United States*, 289 US 1, is applicable?

STATUTES INVOLVED

There is no statute governing the questions presented here. The rules of evidence are based on case law.

STATEMENT OF THE CASE

In its Motion (Appendix, p. 1a) filed in the Court of Appeals, Petitioner alleged that the general rule as to privilege did not apply to the documents of PX-208 because, as shown by the Record (Vol. II, pp. 107, 172-178, for example), the Continental Oil Co. attorney involved, had committed a fraud in the Patent Office to advance the cause of his client, and had conspired with personnel of Union Carbide Corporation to deprive Petitioner of its valuable trade property as alleged specifically in the Amended Complaint, R. Vol. I, pp. 1-8.

In its Motion, Petitioner relied, as it had in the District Court, upon an Order made by Judge J. Skelly Wright in the case of *Seismograph Service Corp.* v. *Offshore Raydist,* 135 F. Supp. 342 (D. C. E. D. Louisiana), affirmed 263 F. 2nd 5 (CA-5), where an attorney for Seismograph was ordered to produce his file because he was shown to have participated in the alleged torts, and where the file so produced formed the basis upon which both the District Court and the Court of Appeals there held that torts had been committed. As shown in Footnote 3, *supra,* Judge Wright cited as authority for his Order, *Clark* v. *United States,* 289 US 1.

The question of whether the privilege has taken flight in the present cause was presented to the District Court. See proceedings in the District Court on February 2, 1959, R. Vol. I, pp. 81-86, 89-90. It has been presented to three different divisions of the Court of Appeals for the Fifth Circuit, and to a total of seven judges in that Court, *without ever getting a written Opinion on the point of law involved.*

No judge has written a line on the question. No judge has mentioned any of the authorities on which Petitioner relies. There has been only an *oral* announcement by His Honor, Circuit Judge Brown, at the hearing on January 4th, 1965, and this anouncement was in Petitioner's favor.

Initially, Petitioner's Motion (Appendix, page 1a) was assigned to Circuit Judges Rives and Wisdom. This panel of the Court did not rule on the Motion, but held that the question raised was of sufficient importance to warrant a hearing prior to a hearing on the merits. A hearing was accordingly ordered (Appendix, page 9a).

At the hearing on the Motion on January 7th, 1964, the division of the Court of Appeals consisted of Circuit Judges Cameron and Gewin, and District Judge Ainsworth. This division of the Court did not render an opinion on the question raised by the Motion, either. This division decided that the special hearing should not have been ordered. Consideration of the question was postponed to the time of the final hearing on the merits. (See Decision on the Motion, Appendix, page 10a, and 332 F. 2d 588).

At the regular hearing on the merits on January 4th, 1965 the division of the Court of Appeals consisted

of Circuit Judges Rives and Brown of the Fifth Circuit, and Circuit Judge Maris of the Third Circuit, the latter sitting by designation. It was at this hearing that Judge Brown stated that Petitioner was entitled to inspect the documents of PX-208.[4] His announcement is quoted in the Petition for Rehearing, Appendix, pages 16a-17a.

Then, the *per curiam* Opinion came down on May 17th, 1965, which denied the Motion to inspect the documents without comment on the rule of evidence involved.

A Petition for Rehearing (Appendix, page 16a) was filed May 27th, 1965. This was based solely on the failure of the Court to decide the question of law raised by the Motion to inspect the documents and Judge Brown's announcement at the hearing.

The Petition for Rehearing was denied (Appendix, page 18a) without an opinion.

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[4] Circuit Judges Rives and Brown also sat in the *Seismograph* case, 263 F.2d 5, *supra*, so that these two constituted a quorum in that case, where, in effect, Judge Wright's Order was affirmed, because the controversy was decided in the Court of Appeals on the basis of evidence which Judge Wright had ordered produced from the files of Seismograph's attorney. Thus the rule of evidence in *Clark* v. *United States* was recognized by Judges Rives and Brown in the *Seismograph* case. It was reiterated and applied by Judge Brown in his announcement at the hearing in the present case. But it was ignored in the *per curiam* Opinion. This conflict forms the basis for Question No. 2, above.

ARGUMENT

One of the main questions of law presented to the Court of Appeals in this cause was whether the rule of evidence of *Clark* v. *United States,* 289 U.S. 1 applied to the documents of PX-208.

The Court of Appeals failed to render an opinion on this question.

The denial of the Petition for Rehearing was a refusal to rule on this question.

This complete failure of judicial process warrants the exercise of supervision by this Court. Petitioner is entitled to a ruling by the Court of Appeals, in writing, on whether the facts here are subject to the rule of evidence set forth in *Clark* v. *United States,* 289 US 1, 15; *The American Law Institute Model Code of Evidence,* Rule 212; and the Order of Judge Wright in *Seismograph Service Corporation* v. *Offshore Raydist,* 135 F. Supp. 342, approved by a quorum of the very same judges to whom the question at bar was presented.

In *Clark* v. *United States,* this Court clearly set forth a rule of evidence.

It is a vital function of this Court to exercise its supervisory authority and insure that its rules of evidence are followed.

In *McNabb* v. *United States,* 318 US 332, 341, 87 L. Ed. 819, 824, it is stated that,

> "In the exercise of its supervisory authority over the administration of criminal justice in the federal courts (cases cited) this Court has, from the very beginning of its history, formulated rules of evidence to be applied in Federal criminal prosecutions. (Many cases cited)."

The footnote at 318 US 341 states:

> "The function of formulating rules of evidence in areas not governed by statute has always been one of the chief concerns of courts: 'The rules of evidence on which we practice today have mostly grown up at the hands of the judges; and, except as they may be really something more than rules of evidence, they may, in the main, properly enough be left to them to be modified and reshaped.' J. B. Thayer, A Preliminary Treatise on Evidence at the Common Law (1898), pp. 530, 531."

The *McNabb* case dealt with criminal justice, but the exercise of supervisory authority in civil justice is just as important.

When Judge Brown announced from the bench at the hearing that Petitioner was entitled to inspect the documents, Petitioner assumed that all that remained to be done on that point of law before the Court was the entry of a formal Order properly attested. Such an announcement in open court, if later formally ordered and attested, is the equivalent of an Opinion signed by the three judges. See the opinion by Chief Justice Taft in *Cumberland Telephone & Telegraph Co.* v. *Louisiana Public Service Commission,* 260 US 212, 218,[5] reiterated in *Ayrshire Collieries Corp.* v. *United States,* 331 US 132, 138.

The failure of the *per curiam* Opinion to formalize the announcement of Judge Brown, or, if the Court no longer adhered to his announcement, to say so and

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[5] "Compliance with the statute requires the assent of the three judges, given after the application is made, evidenced by their signatures, or an announcement in open court, with three judges sitting, followed by a formal order, tested as they direct."

—*Cumberland T. & T. Co.* v. *Louisiana Pub. Serv. Com.,* 260 US 212, 218, 67 L. Ed. 217, 223.

explain why, is, we submit, *per se,* grounds for this Court vacating the judgment and remanding the cause to the Court of Appeals for further consideration there.

Before this Court should consider whether the rule of evidence of *Clark* v. *United States, supra,* applies to the facts here, there should be a decision of the lower courts on the question. *Cincinnati, Hamilton & Dayton Railroad Co.* v. *McKeen,* 149 US 259, 37 L. Ed. 725.

The *per curiam* Opinion states (Appendix, at page 15a) that the Court of Appeals examined the impounded documents. However, insofar as this Petition is concerned, it makes no difference whether the Court examined them.

The question of whether or not "the privilege takes flight" cannot be decided by looking at the documents. This must be decided by examining other evidence to see if there is "something to give colour to the charge" of fraud. *Clark* v. *United States,* 289 US 1, 15, 77 L. Ed. 993, 1000. The *per curiam* Opinion of the Court of Appeals does not pretend to contain any ruling on the question of whether there is anything in the record to give colour to the charge of fraud, and this was the main point in Petitioner's Motion (Appendix, page 1a).[6]

General affirmance of the District Court's Opinion (R. Vol. IV, page 51) is not a ruling on the question because the District Court made no ruling on it.

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[6] Judge Brown's announcement is recognition of the fact that there is "something to give colour to the charge."

In the exercise of its general power to supervise the administration of justice in the Federal Courts, the responsibility lies with the Supreme Court to require strict compliance with the rules of evidence laid down by the Supreme Court. We petition this Court to exercise that responsibility in this cause. Cf. *Western Pacific Railroad Corp.* v. *Western Pacific Railroad Company,* 345 US 247, 97 L. Ed. 986; *Textile Mills Securities Corp.* v. *Commissioner of Internal Revenue,* 314 US 326, 86 L. Ed. 249; *Ayrshire Collieries Corp.* v. *United States,* 331 US 132, 91 L. Ed. 1391; *McNabb* v. *United States,* 318 US 332, 87 L. Ed. 819.

For the above reasons, Petitioner prays that this Court grant the writ of certiorari. With or without setting the cause for a hearing in this Court, we ask that the Judgment of the Court of Appeals of May 17th, 1965 be vacated and the cause remanded to the Court of Appeals for such further proceedings in that Court or the District Court as may be appropriate. See *United States on the Relation of Robinson* v. *Johnson,* 316 US 649, 86 L. Ed. 1732.

Respectfully submitted,

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Service

Service of this Petition has been made upon Respondents by mailing copies to Mr. C. Frederick Leydig, their attorney, One North La Salle Street, Chicago 2, Illinois this 20th day of August, 1965.

Attorney for Petitioner

APPENDIX

Filed October 1, 1963

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 20,925

GREAT LAKES CARBON CORPORATION, *Plaintiff-Appellant*

v.

CONTINENTAL OIL COMPANY, LAKE CHARLES CHEMICAL CORPORATION and UNION CARBIDE CORPORATION, *Defendants-Appelees*

On Appeal from C.A. No. 6946 in the U. S. District Court for the Western District of Louisiana, Lake Charles Division.

Motion Under Rule 21 of This Court and Under Rule 75 (j) F.R.C.P. for an Intermediate Order Granting Counsel for Appellant the Right to Inspect Certain Documents Now Under Seal and Identified as "Plaintiff's Exhibit No. 208"

Comes now the Plaintiff-Appellant in the above entitled cause and moves for an Intermediate Order granting counsel for Plaintiff-Appellant the right to inspect and make copies of the documents now on file under seal in this Court and identified as Plaintiff's Exhibit No. 208. These documents are also identified as Item No. 121 in the list attached to the District Court Clerk's Certificate sent to this Court on September 24, 1963.

In Appellant's statement of the points on which it intends to rely on the appeal; Item Number 6 includes the following:

> "With respect to the action generally, The Trial Court erred:
>
> "(a) In denying Plaintiff access to certain of Defendants' documents transmitted to the Court of Appeals under seal and identified as Plaintiff's Exhibit No. 208.

"(b) In holding that certain documents which form part of PX-208 are privileged.

"(c) In not permitting Plaintiff access to certain of the documents in PX-208, even if they are privileged."

The Order of the District Court of June 20, 1963 recites the history of the proceedings with respect to the aforesaid documents and is as follows:

"ORDER

"Certain documents from the files of Roy C. Hackley, Jr., patent counsel for defendant Continental Oil Company, were specifically sought by plaintiff by means of a Rule 34 motion filed prior to trial. Defendant Continental Oil Company asserted that the documents sought were privileged and thus not subject to production.

"The Court heard oral argument of the parties on the motion, received written briefs from the parties, and reviewed the documents themselves which had been submitted to the Court for such purpose with the consent of defendant Continental Oil Company.

"This Court then held certain ones of the documents to be privileged, indeed some of them extremely so (the Court's letter to counsel dated July 2, 1959), and thus not subject to discovery by plaintiff. Those documents were then sealed and retained by defendants' attorneys pursuant to Court order.

"Later plaintiff was also required to hold and preserve certain of its documents which were held to be privileged (see Order dated April 17, 1962).

"These documents shall be filed forthwith with the Clerk of this Court in a sealed envelop or other sealed container suitably marked or otherwise identified so that they can be incorporated in the appeal record of this cause.

"THUS DONE AND SIGNED in Chambers at Lake Charles, Louisiana, on this the 20th day of June, 1963.

"(Signed) Edwin F. Hunter, Jr.
United States District Judge".

Access to these documents preliminary to a consideration of this appeal on the merits is necessary because a later ruling of this Court reversing the District Court's order denying access to the documents would not afford appellant an opportunity of presenting its views with respect thereto without needless delay and procedural complications. The documents are without question material to the issues before the Court. If the veil of alleged privilege is swept aside they will constitute evidence with respect to the trade secrets issue as well as the issues of infringement and validity of Plaintiff's patent. That they are cogent evidence is shown by the District Court's observation at a hearing:

> "The Court: Some of them it would have been better if I hadn't seen, but I don't know what you can do about it."
>
> —Page 7 of Transcript of Hearing on Motions April 14th, 1962.

The facts pertinent to this Motion are reflected in the portion of the District Court's Opinion here quoted:

> "Despite the fact that pressure tar had been coked by Kendall and Gulf for many years to produce premium coke, no one knew for sure that the making of needle coke was that simple. The prevailing thought was that there was something inherent in the crude oil at Kendall and Gulf that resulted in the production of the premium coke. In 1951, at plaintiff's behest, Pan-Am Southern agreed to a cooperative experimental project with plaintiff for the purpose of determining whether premium coke could be made by coking thermal tar in large quantities. The experiments revealed that large quantities could be so produced—and they were so produced and sold to plaintiff. But, in April of 1953, Pan-Am decided it did not desire to continue with this production. Continental heard of this and became interested. After obtaining permission to do so from plaintiff in April of 1953, Pan-Am permitted Continental to view and study the operation. Then, by the end of 1953, the process was put upon a commercial basis by Continental with an agreement

that all of the coke so produced from Continental's Ponca City, Oklahoma plant would be sold to plaintiff. From 1953 to date large quantities of premium coke have been made by Continental from pressure tar at its Ponca City refinery and delivered to plaintiff. On June 17, 1953, Union Carbide made inquiry of Continental about buying some of this Ponca City coke. On July 20, 1953, Continental informed Union Carbide that this coke had been 'contracted for five years.' Negotiations ensued between Continental and Union Carbide with respect to the building of a coking plant at Continental's refinery at Lake Charles. The Lake Charles plant was to produce premium coke to be sold to Union Carbide. During their negotiations, Continental—wholly unknown to plaintiff—shipped some of the Ponca City premium coke to Union Carbide so that Union Carbide could conduct field and other tests on the same to determine whether it was suitable for making graphite electrodes. In January of 1956, Continental and Union Carbide entered into a firm agreement pursuant to which Continental agreed to manufacture premium coke at Lake Charles and sell it all to Union Carbide. To effectuate this agreement, Continental Oil Company, during 1956 and 1957, proceeded to design and build this coking plant at Lake Charles. In 1958 Continental began manufacturing premium coke there and selling it to Union Carbide. The process at Ponca City and Lake Charles are the same, except that at Ponca City 100% pressure tar is used, whereas in Lake Charles a blend is used.

"In 1954 and 1955 there was very close cooperation between Continental and Union Carbide, and several carloads of premium coke were shipped and sent to Union Carbide from the Ponca City plant. Samples of the thermal tar were also sent. The purpose was to enable Union Carbide to find out whether this coke was suitable for their purposes. In July of 1957 Continental made a special run of about 400 tons of premium coke at Ponca City, using a feed stock of less than 100% thermal tar. This special run was not revealed to Great Lakes. From this run, about 100 tons of premium coke were sent, free of charge, to Union Carbide, so that a determination could be made as to whether it was suitable for use in making graphite electrodes. It can hardly be doubted that these in-

stances of shipping coke to Union Carbide constituted a breach of its contract with Great Lakes. But this is *not* a suit for breach of contract. The tort complained of here is the alleged conspiracy beginning in 1953 which allegedly destroyed plaintiff's rights in certain trade secrets. The remedy sought *in effect* would be an injunction removing Union Carbide as a competitor in the graphite electrode field."

—Quoting pages 61-63 of
Opinion of June 20, 1963.

As stated in the District Court's Order previously quoted, the documents in question are from the files of Roy C. Hackley, Jr.

Plaintiff's Exhibit 67 contains portions of two depositions of Roy C. Hackley, Jr. Three extra copies of this Exhibit 67 are filed herewith. This exhibit shows that in October, 1956, Hackley moved to Ponca City, Oklahoma, and went to work there as a regular full-time employee of Continental Oil Company. Although a lawyer elsewhere, he is not a member of the Bar of the State of Oklahoma, and has not applied for membership in Oklahoma (pages 2-4). The acts, as to which the aforesaid documents relate, took place in Ponca City, Oklahoma.

Plaintiff's Exhibit 67 also shows (pages 6 and 61) that Hackley was the inventor of the accused process used by Continental Oil Company at Lake Charles, Louisiana.

Plaintiff's Exhibit 67 also shows (page 57) that, prior to the Hackley invention in 1957, Continental had intended to use the Ponca City process at Lake Charles, where it did not have a license. Further, it shows (pages 54-57) that Hackley was fully advised by April, 1957, of what Continental had intended to do at Lake Charles, although in his first deposition he denied this fact (pages 5 and 13).

Thus, the documents filed in this Court under seal, and identified as Plaintiff's Exhibit No. 208, are from the file of one who was the mastermind in the project of devising the accused process.

As shown, the District Court found (Opinion, Page 63) that, in July of 1957, 100 tons of premium coke was sent by Continental, free of charge, to Union Carbide, and that "it can hardly be doubted that these instances of shipping coke to Union Carbide constituted a breach of its contract with Great Lakes."

Plaintiff's Exhibit 67 shows (pages 28-31) that Hackley was the principal actor in this breach of contract; and that before breaching the contract Hackley had knowledge of it (page 67), although he denied (pages 29-31) that he had investigated the question of whether the sending of the coke to Union Carbide would be a breach. Appellant believes that the documents of Plaintiff's Exhibit 208 shed light on the question of what part this breach of contract played in concealing the alleged conspiracy between Continental and Union Carbide to pirate the invention which was the property of Great Lakes.

Counsel for Appellant should have the right to inspect the documents, first to be able to discuss intelligently the question of whether or not the District Court was correct in ruling that the documents were privileged, and, even if they are privileged, whether the seal of secrecy should be broken, as in *Seismograph Service Co.* v. *Offshore Raydist,* 135 F. Supp. 342, affirmed 263 F. 2d 5 (CA-5). Secondly, if this Court rules that the documents, or any of them, constitute admissible evidence, they should be made available to counsel so that the views of Appellant with respect thereto can be properly presented to this Court in the brief on the merits of this appeal.

Appellant contends that the use of Hackley's invention by Continental Oil Company at Lake Charles was an obvious imitation, and "his skill was directed toward contriving a [process] which appeard to be, but was not in fact different" than the process of the patent in suit, exactly as held in *Bryan* v. *Sid W. Richardson, Inc.,* 254 F. 2d 191, 197-198 (CA-5).

In any event, no privilege attaches to the documents in Plaintiff's Exhibit No. 208, because Hackley's acts were purely of a business nature and not acts in his professional capacity as an attorney. Making an invention, obtaining a patent on it, directing research, and breaching a contract are not the acts of a lawyer.

In *Pollock* v. *United States,* 202 F. (2d) 281, 286, this Court stated:

> "* * * The privilege accorded to communications between attorney and client does not apply except where the attorney acts in his professional capacity. * * *"

Moreover, the situation here on privilege is parallel to that in *Seismograph Service Corp.* v. *Offshore Raydist,* 135 F. Supp. 342, affirmed 263 F. 2d 5 (CA-5).

As stated in Footnote 4 (135 F. Supp. 349), in the *Seismograph Case* Judge Wright ordered that the correspondence between Seismograph and its patent counsel be produced because counsel had participated in the alleged tort. Seismograph contended that the correspondence was privileged, but it was ordered produced.

The Order of Judge Wright on this question is not reported, but his "Reasons" are here quoted. Even though the correspondence was privileged, it was ordered to be produced.

> "REASONS: The theory of the defendant's case is that the plaintiff has committed a fraud on its rights in connection with the patents in suit. While this information elicited by discovery so far in this case does not, by any means establish the charge as a fact, sufficient information has been disclosed to break the seal of secrecy respecting the privilege and to let the light in. Clark v. United States, 289 U.S. 1; ALI, Model Code of Evidence, Rule 212."
>
> —Quoting from the Order of Judge Wright in Seismograph Service Co. v. Offshore Raydist, C.A. 3686.

The decision of Judge Wright on the merits in the *Seismograph Case*, and the decision of this Court on the appeal, are based largely on the evidence found in the allegedly privileged documents produced by Mr. Mason, Seismograph's patent counsel.

Similarly, here, no attorney-client privilege exists which justifies withholding the documents which Appellant seeks to inspect. Hackley was acting (in Oklahoma where he was not even licensed to practice law) in a business capacity, not as a lawyer. Even though the Court should affirm the District Court and hold that the privilege does exist, sufficient showing has been made to drive the privilege away. The seal on the documents in Plaintiff's Exhibit 208 should be broken, so that counsel for Appellant can intelligently discuss them in its brief.

WHEREFORE, Appellant prays that after due consideration counsel for Appellant be granted the right to inspect and make copies of the documents identified as Plaintiff's Exhibit No. 208 for their further use in presenting Appellant's case to this Court on the merits.

In the alternative, Appellant prays that the Court order a hearing to be held on the subject of the within motion in advance of the submission of this case on the merits, and that pursuant to said hearing the Court enter the said order prayed for next hereinabove.

Respectfully submitted,

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S. W. Plauche, Jr.,
608 Pioneer Building,
Lake Charles, Louisiana,
Attorney for Great Lakes Carbon Corporation, Plaintiff-Appellant.

Of Counsel:

EARL BABCOCK,
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WAYNE L. BENEDICT,
Munsey Building,
Washington 4, D. C.

No. 20,925

On Motion Under Rule 21 of This Court and Under Rule 75 (j) F.R.C.P. for an Intermediate Order Granting Counsel for Appellant the Right to Inspect Certain Documents Now Under Seal and Identified as "Plaintiff's Exhibit No. 208"

Before RIVES, and WISDOM, *Circuit Judges.*

The Court is of the opinion that the decision of this motion is a matter of such importance as to require a hearing in advance of the submission of this case on its merits. It is accordingly ORDERED that a hearing on this motion be set in due course, and not necessarily before the present panel of Judges.

Enter, this the 23rd day of October, 1963.

ARGUMENT AND SUBMISSION

Extract from the Minutes of January 7, 1964

No. 20925

GREAT LAKES CARBON CORPORATION

versus

CONTINENTAL OIL COMPANY, ET AL

On this day this cause was called, and after argument by S. W. Plauche, Jr., Esq., for appellant, and Richard Russell Wolfe, Esq., for appellees, was submitted to the Court.

No. 20925

(June 9, 1964)

Before CAMERON* and GEWIN, *Circuit Judges* and AINSWORTH, *District Judge.*

AINSWORTH, District Judge: The issue here is whether appellant may inspect certain documents filed herein under seal, which the District Court held were privileged, and which appellant contends are necessary for presentation of its appeal on the merits.

Great Lakes Carbon Corporation, appellant, filed its motion here under Rule 21 of this Court[1] and under Rule 75(j),[2] Federal Rules of Civil Procedure, for an inter-

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* Judge Cameron, the third judge constituting the Court which originally heard this case, died prior to the filing of this opinion. He participated both in the hearing and the decision of this cause, however. The present opinion is rendered by a quorum of the Court, pursuant to Title 28, U.S.C.A., § 46, Judge Cameron having taken no part in the final draft of the opinion of this case.

[1] Rule 21, Motions

1. All motions to the court shall be reduced to writing and served on opposing counsel and shall contain a brief statement of the facts and objects of the motion. Preliminary or procedural motions and petitions need not be printed, but may be filed in four legible typed copies.

2. No motion to dismiss, except on special assignment by the court, shall be heard, unless previous notice has been given to the adverse party, or the counsel or attorney of such party.

[2] Rule 75(j), Federal Rules of Civil Procedure

Record for preliminary hearing in appellate court.

If, prior to the time the complete record on appeal is settled and certified as herein provided, a party desires to docket the appeal in order to make in the appellate court a motion for dismissal, for a stay pending appeal, for additional security on the bond on appeal or on the supersedeas bond, or for any intermediate order, the clerk of the district court at his request shall certify and transmit to the appellate court a copy of such portion of the record or proceedings below as is needed for that purpose.

mediate order granting its counsel the right to inspect certain documents now under seal. Appellant has already appealed from the decision on the merits of the United States District Court dismissing a suit for patent infringement and unfair trade practices.[3] The subject matter of that suit is a process for making a special coke for graphite electrodes used in the steel mills. The matter now before this Court does not relate to the merits of the case. By a motion filed in this Court on or about October 2, 1963, appellant seeks the right to inspect certain documents filed in this Court under seal, which the lower court held were privileged and therefore not subject to discovery. By order of this Court of October 23, 1963, appellant's motion was set for hearing in advance of the submission of the case on the merits.

The documents which appellant seeks to inspect are from the files of Roy C. Hackley, Jr., an attorney employed by appellee Continental Oil Company. Appellant sought to inspect these documents by means of a Rule 34 motion filed prior to the trial, but appellees asserted that the documents sought were privileged and, therefore, not subject to inspection. The lower court heard oral argument by the parties on the motion, received written briefs from the parties, and reviewed the documents themselves, which had been submitted to the court for such purpose with the consent of the appellees. After this extensive study, the lower court held some of the documents to be privileged and not subject to discovery by appellant.

The process used by appellee at Lake Charles, Louisiana, which is alleged to infringe appellant's Patent No. 2,775,549 to Shea, is an alleged improvement claimed to have been made by Roy C. Hackley, Jr., patented by him as Patent No. 2,922,755 and assigned to Continental Oil Company. Appellant claims that the documents are relevant to the

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[3] 219 F. Supp. 468.

Hackley patent and to the charge of infringement of the Shea patent, and to the charge of unfair competition. Furthermore, appellant claims it is handicapped in the presentation of its case on this appeal by the fact that it has not had access to the documents. Appellant contends that because it has sufficiently shown that Hackley played a great part in the alleged torts, the veil of the attorney-client privilege as to his records has been pierced.

We do not think the question presented here can properly be decided by an intermediate order prior to consideration of the merits of the case. When the district judge passed on the propriety of requiring production of the documents under Rule 34, Federal Rules of Civil Procedure, he was able to do so because he had sufficient information to intelligently decide the issue of relevance, materiality, and, most important, of privilege. We are not in an equal position now to make such a judgment.

Accordingly, we do not believe a piecemeal appeal should be allowed under these circumstances. We are unable to pass upon the lower court's ruling that these documents be sealed and not available to appellant because they are privileged attorney-client writings. The dismissal of this suit by the court below, after trial on the merits, was not based in any way on the sealed documents. It is necessary, therefore, that this Court have a greater knowledge of all the facts involved before passing on the issue of whether these documents are privileged. When this appeal is heard on the merits of the case, we will have before us all of the material, facts and evidence necessary to decide the relevance, materiality and admissibility of the documents sought.

The motion for an intermediate order is denied.

ARGUMENT AND SUBMISSION

Extract from the Minutes of January 4, 1965

No. 20925

GREAT LAKES CARBON CORPORATION

versus

CONTINENTAL OIL COMPANY, ET AL

On this day this cause was called, and after argument by Earl Babcock, Esq., for appellant, and Richard Russell Wolfe, Esq., for appellees, was submitted to the Court.

No. 20925

(May 17, 1965.)

Before MARIS,* RIVES and BROWN, *Circuit Judges.*

PER CURIAM: This is an appeal by the plaintiff Great Lakes Carbon Corporation from a judgment of the District Court for the Western District of Louisiana dismissing its complaint against the defendants Continental Oil Company, Lake Charles Chemical Corporation and Union Carbide Corporation for patent infringement and for violation of trade secrets and unfair competition. The patent involved was No. 2,775,549 issued to Shea on December 25, 1956 on a process for making needle coke from petroleum hydrocarbons. The patent was subsequently assigned to the plaintiff. The trade secret alleged was identified by the plaintiff as being the process of the patent.

Since 1953 defendant Continental has been engaged in manufacturing needlecoke, also called premium or No. 1 coke, under contract for the plaintiff at its refinery in Ponca City, Oklahoma. Such high grade coke is required in the manufacture of large graphite electrodes for use in electrical furnaces. It appears that the process used at

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* Of the Third Circuit, sitting by designation.

Ponca City by defendant Continental in making such coke for the plaintiff was that of the patent in suit.

In 1958 defendants Continental and Lake Charles began and thereafter have continued making premium coke at their refinery at Lake Charles, Louisiana, under contract for defendant Union Carbide. It is this operation which is the basis of the plaintiff's complaint, its allegation being that the process used at Lake Charles infringes the Shea patent and by the same token is an unfair use of its trade secret. The defendants assert, on the other hand, that the process under attack is not within the claims of the Shea patent, limited, as the defendants say they must be, by file wrapper estoppel. The defendants assert in the alternative that if the Shea patent is construed so broadly as to cover the Lake Charles process it is invalid. For the same reasons the defendants assert that they have not appropriated or used any trade secret of the plaintiff in that process. After a trial on the merits the district court dismissed the complaint. The plaintiff thereupon took the present appeal.

On this appeal the plaintiff urges that the district court erred in numerous findings of fact, in its conclusions as to the limitation of the claims of the patent under the doctrine of file wrapper estoppel, and as to the invalidity of the patent if not so limited, and in its conclusion that the defendants had not appropriated or used a trade secret of the plaintiff. Our study of the case has satisfied us that there is no merit in any of these contentions. We think that the findings of fact of the district court are amply supported by the evidence. Certainly none of them is clearly erroneous. Likewise we find ourselves in complete accord with the district court's legal conclusions for the reasons ably and exhaustively set out in the opinion filed by Judge Hunter, 1963, 219 F. Supp. 468. We are in complete accord with his thorough and scholarly discussion of the questions involved. It fully supports the judgment and we have nothing further to add to it.

One further matter must be considered. In the course of the trial the plaintiff sought the right to inspect certain documents from the file of a patent attorney employed by defendant Continental. Defendant Continental claimed that the documents were privileged communications with its counsel but, nonetheless, submitted them to the district court for its inspection and ruling. The court ruled that some of the documents were privileged and that some were not. The latter were than furnished to the plaintiff but the former were impounded by the district court and were transmitted, sealed, to this court with the record on appeal.

After the appeal was taken the plaintiff moved this court for the right to inspect the impounded documents. At the hearing of the motion this court deferred its further consideration until the hearing of the appeal on the merits. *Great Lakes Carbon Corp.* v. *Continental Oil Co.*, 1964, 332 F. 2d 588. We have now given further consideration to the motion and have examined the impounded documents. We are satisfied that the district court did not err in holding them to be privileged against inspection by the plaintiff.

The motion for inspection is denied and the judgment of the district court is affirmed.

No. 20923

Before MARIS,* RIVES and BROWN, *Circuit Judges.*

Judgment

This cause came on to be heard on the transcript of the record from the United States District Court for the Western District of Louisiana, and was argued by counsel;

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the motion for inspection is

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* Of the Third Circuit, sitting by designation.

denied and the judgment of the said District Court in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, Great Lakes Carbon Corporation, be condemned to pay the costs of this cause in this Court for which execution may be issued out of the said District Court.

May 17, 1965

Issued as Mandate: June 23, 1965

Petition for Rehearing By Appellant, Great Lakes Carbon Corporation

Flied May 27, 1965

Comes now Great Lakes Carbon Corporation, Plaintiff-Appellant in the above entitled cause, and petitions for rehearing on the *per curiam* decision of this Court on May 17th, 1965 on the following ground:

The *per curiam* decision has not decided an important question of law as to the privileged documents of Roy C. Hackley, Jr., an attorney for Continental Oil Company, one of the Defendant-Appellees herein.

The question not decided by the Court is:

> Where an attorney makes and files a false oath in the Patent Office to bolster his client's position in litigation, does his conduct cause the privilege protecting his documents to take flight?

At the oral hearing of this appeal on January 4, 1965, His Honor, Judge Brown, stated from the bench that in his opinion Hackley, having filed a false oath in the Patent Office, "tarred himself," so that, "If there ever was a case in which a party is entitled to inspect privileged documents, this is it."

The *per curiam* decision does not touch upon the question of evidence as to when privilege takes flight. It states only that the impounded documents are privileged.

Our position was, and is, that the record shows that Hackley committed a fraud by making and filing a false oath, and that therefore, the privilege takes flight, under the rule of *Clark* v. *United States,* 289 U.S. 1, 15, 77 L. Ed. 993, 1000.

Plaintiff-Appellant is entitled to a ruling by this Court on this question of evidence. It was not ruled upon by the District Court during the discovery proceedings or at the trial, and, so far, has not been ruled upon by this Court. If Judge Brown's statement at the hearing is correct, then it is obvious that very important evidence on many of the issues involved has not been considered, either by the Trial Court or by this Court, in deciding those issues.

While this Petition is brought on one ground only, it should not be construed as admitting the correctness of the *per curiam* decision as to other grounds. It is respectfully requested that this Petition be granted so that Appellant can see the impounded documents and then take such further action as may be appropriate.

Respectfully submitted,

EARL BABCOCK
Attorney for Appellant

Of Counsel:

WAYNE L. BENEDICT
S. W. PLAUCHE, JR.
RICHARD MCAVOY
CARL F. PETERS

(June 9, 1965)

On Petition for Rehearing

Before MARIS,* RIVES and BROWN, *Circuit Judges.*

PER CURIAM:

The petition for rehearing filed by the appellant in this cause is hereby

DENIED.

Clerk's Certificate

UNITED STATES OF AMERICA
UNITED STATES COURT OF APPEALS
FIFTH CIRCUIT

I, Edward W. Wadsworth, Clerk of the United States Court of Appeals for the Fifth Circuit, do hereby certify that the foregoing pages numbered from 3353 to 3382 contain a full, true and complete copy of the following papers: Motion under Rule 21 & Under Rule 75(j) FRCP for an Immediate Order Granting Counsel for Appellant the Right to Inspect Certain Documents Now under Seal & Identified as Plaintiff's Exhibit No. 208, Order for Hearing on Motion under Rule 21 & Rule 75(j), Argument & Submission (1-7-64), Opinion-Order Denying Motion for Intermediate Order, Argument & Submission (1-4-65), Opinion of the Court, Judgment, Petition for Rehearing and Order Denying Rehearing,

in a certain cause in said Court numbered 20925 wherein Great Lakes Carbon Corporation, is appellant and Continental Oil Company, Et Al are appellees,

as full, true and complete as the originals of the same now remain in my office.

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* Of the Third Circuit, sitting by designation.

I further certify that the pages of the printed record is the printed record* upon which said cause was heard and decided in the said Court of Appeals.

In testimony whereof, I hereunto subscribe my name and affix the seal of the said United States Court of Appeals at my office in the City of New Orleans, Louisiana, in the Fifth Circuit this 20th day of July, A. D., 1965.

EDWARD W. WADSWORTH
Clerk of the United States Court of Appeals for the Fifth Circuit.

By CLARA R. JAMES
Chief Deputy Clerk

(* Volumes I thru XI)

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SUPREME COURT, U. S.

No. 475

In the

Supreme Court of the United States

OCTOBER TERM, 1965

GREAT LAKES CARBON CORPORATION,
Petitioner,

vs.

CONTINENTAL OIL COMPANY, UNION CARBIDE CORPORATION, ET AL.,
Respondents.

RESPONDENTS' BRIEF OPPOSING PETITION FOR WRIT OF CERTIORARI

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 475

GREAT LAKES CARBON CORPORATION,

Petitioner,

vs.

CONTINENTAL OIL COMPANY, UNION CARBIDE CORPORATION, ET AL.,

Respondents.

RESPONDENTS' BRIEF OPPOSING PETITION FOR WRIT OF CERTIORARI

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

The Complaint in this case charged infringement of a patent and misappropriation of a trade secret. The same petroleum coking process accused as an infringement of Petitioner's patent was also alleged to be a trade secret. The District Court dismissed the Complaint and the Court of Appeals for the Fifth Circuit affirmed by *per curiam* Opinion.

Petitioner now seeks to have this Court grant Certiorari to "review and vacate the Judgment . . . of the United States Court of Appeals for the Fifth Circuit" on the basis that the

". . . Court of Appeals has failed to apply the applicable rule of evidence of this Court set forth in *Clark* v. *United States,* 289 U.S. 1, 15; and has so far departed from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision."

More specifically, the Petition states (p. 2):

"This Petition is concerned with certain documents which came from the files of Roy C. Hackley, Jr., one of the attorneys for Continental Oil Co., one of the Respondents. These documents were held by the United States District Court for the Western District of Louisiana to be subject to attorney-client privilege. They are under seal, and have never been seen by Petitioner."

OPINIONS OF THE COURTS BELOW AND REVIEW OF PERTINENT PRIOR PROCEEDINGS

Petitioner, at an early pre-trial stage in this case, moved under Rule 34 F.R.C.P. for production of certain documents from the files of Respondent Continental Oil Company. The request was directed to certain files of Roy C. Hackley, Jr., chief patent lawyer of Respondent Continental Oil. Respondent Continental had produced a number of documents falling within the scope of the demand but withheld others on the ground of attorney-client privilege. The District Court, with Respondents' approval, examined the documents *in camera.* It ordered certain of them turned over to Petitioner but stated in its ruling (Judge Hunter's letter to counsel of July 2, 1959) that it believed ". . . by far the greater number of these documents are privileged. . . ."

The trial in this case occurred in September of 1962. At the trial Petitioner asked to have an exhibit number ap-

plied to a sealed envelope containing these documents and sought to offer the same in evidence. The number was applied (PX-208) but the material was not admitted in evidence.

After the case was appealed to the Fifth Circuit Court of Appeals that exhibit was sent up with the rest of the record. Shortly after filing its notice of appeal, Petitioner filed an extraordinary motion entitled:

> "Motion Under Rule 21 of this Court and Under Rule 75(j) F.R.C.P. for an Immediate Order Granting Counsel for Appellant the Right to Inspect Certain Documents Now Under Seal"

The Court of Appeals heard argument on the motion and denied it (332 F. 2d 588) saying in substance that the question would be considered when the entire matter was before the Court.

In its *per curiam* Opinion (345 F. 2d 175) affirming the District Court's judgment, the Court of Appeals stated with respect to the documents here in issue:

> "After the appeal was taken the plaintiff moved this court for the right to inspect the impounded documents. At the hearing of the motion this court deferred its further consideration until the hearing of the appeal on the merits. *Great Lakes Carbon Corp.* v. *Continental Oil Co.*, 1964, 332 F. 2d 588. We have now given further consideration to the motion and have examined the impounded documents. We are satisfied that the district court did not err in holding them to be privileged against inspection by the plaintiff.
>
> "The motion for inspection is denied and the judgment of the district court is affirmed."

Shortly after its Petition for Rehearing was denied Petitioner filed a new Petition to the Court of Appeals this time seeking access to certain internal communications between Judges Rives, Brown, and Maris, the panel which rendered the *per curiam* Opinion, relative to the withheld documents. That was denied shortly after this Petition was filed (Order of Fifth Circuit Court of Appeals dated August 26, 1965).

Petitioner now seeks this Court's grant of a writ of certiorari to vacate a judgment which has been affirmed *in toto* and *per curiam* by the Court of Appeals to obtain access to the documents in question which although never seen by Petitioner have been reviewed by both of the Courts below and held to be privileged.

Plaintiff—as it did in the Court of Appeals—argues that despite the privileged status of these documents, they should be shown to Petitioner and the judgment below vacated because Mr. Hackley, the lawyer whose communications are involved, participated in an alleged fraud which should cause the Courts to disregard the privilege.

QUESTION PRESENTED

Petitioner ignores the only question properly before this Court. It is:

> Whether there is any basis for a review by this Court of concurring decisions of the Court of Appeals and the District Court that certain documents are privileged and should remain so.

Petitioner sets forth three specious "questions" for consideration by this Court; but this, it is submitted, is the only question of substance.

SUMMARY STATEMENT OF THE CASE

The foregoing review of proceedings in this case to date, with particular reference to Petitioner's continued efforts to gain access to the withheld documents, does for the most part also set forth the facts pertinent to the instant petition.

Petitioner, plaintiff below, has sought at every stage to flavor this case with totally unsupported allegations of fraud and to more or less incidentally use such allegations to gain entry to the privileged documents which are the subject of the instant Petition. The thrust of Petitioner's argument has been that even if the documents are privileged, such privilege should be disregarded because Mr. Hackley, Respondent Continental's chief patent lawyer, has allegedly committed fraudulent acts.

As it has in its present Petition, Petitioner has in every instance coupled its vague and completely unsupported charges of fraud with reference to the Fifth Circuit Court of Appeals' decision in *Seismograph Service Corp.* v. *Offshore Raydist,* 263 F. 2d 5, which affirmed Judge Wright's decision (135 F. Supp. 342) and argued that in accordance with that case where a *prima facie* showing of fraud has been made the privilege must be pierced. Both before the Court of Appeals and now in its present Petition it has also referred to the earlier decision of this Court in *Clark* v. *United States,* 289 U.S. 1—a case involving a juror's privilege but containing the dicta set forth in the footnote at the bottom of page 2 of the Petition.

The striking fact about the case at bar—in which the Complaint expressly averred inequitable conduct, *i. e.,* alleged misappropriation of a trade secret and also charged Mr. Hackley with seeking to "conceal and shelter the piracy"—is that both the trial Court and the Court of Ap-

peals, in the light of all the evidence which Petitioner was able to adduce, have not only decided against Petitioner on all counts but each of those Courts has actually examined the privileged documents.

Faced with this obvious fact, Petitioner nevertheless asks this Court in the guise of an evidentiary issue to review the "question" of whether the "privilege should have taken flight" on the apparent basis that if it could get at those documents its cries of fraud would be supported. At the same time, however, it gives this candid appraisal of the result if it were to get the documents (p. 11 of Petition):

> "The question of whether or not 'the privilege takes flight' cannot be decided by looking at the documents. This must be decided by examining other evidence to see if there is 'something to give colour to the charge' of fraud. *Clark* v. *United States,* 289 U.S. 1, 15, 77 L. Ed. 993, 1000."

Petitioner is therefore, in the position of asking the Court to vacate the judgment and destroy the privilege so that it can have an opportunity to prove fraud therefrom. Yet it recognizes that the lower Courts, which were fully aware of Petitioner's contentions of alleged fraud, examined all the evidence which plaintiff adduced, reviewed the privileged documents and flatly held against Petitioner on all counts.

ARGUMENT.

1. PETITIONER'S ATTEMPT TO PREMISE ITS ARGUMENT ON AN ALLEGED QUOTATION OF A MEMBER OF THE COURT OF APPEALS IS COMPLETELY IMPROPER.

Petitioner has had the temerity to state (p. 5 of its Petition):

> ". . . at the hearing of this cause in the Court of Appeals, one of the Circuit Judges announced from the bench (with the other two judges seeming to agree, *sub silentio*) that Respondents had lost their right to rely on privilege with respect to the documents of PX-208 because Hackley had 'tarred himself' by filing a false oath in the Patent Office . . ."

More of the same sort of thing appears at page 8 of the Petition where reference is again made to what Judge Brown "stated" at the hearing and at page 16a (Petition for Rehearing reproduced) where an even more extensive "quotation" is set forth. On page 10 of the Petition there appears this further startling statement:

> "When Judge Brown announced from the bench at the hearing that Petitioner was entitled to inspect the documents, Petitioner assumed that all that remained to be done on that point of law before the Court was the entry of a formal Order properly attested."

And then there is this (pp. 10-11):

> "The failure of the *per curiam* Opinion to formalize the announcement of Judge Brown, or, if the Court no longer adhered to his announcement, to say so and explain why, is, we submit, *per se,* grounds for this Court vacating the judgment and remanding the cause . . ."

As the Court well knows, there is usually no reporter present during arguments in Courts of Appeals. There certainly was none present during the argument in this case. The alleged quotes of Judge Brown, therefore, have no authenticity whatever. Moreover, to the extent that Judge Brown, or any judge, may pose a question or make a statement to counsel during an argument to draw out desired facts, it is clear that the ultimate decision of the Court completely supersedes what may have transpired during the hearing.

While Respondents cannot—any more than can Petitioner—accurately state to this Court what it was that Judge Brown said, one thing about whatever he said is certain. His remarks were aimed at eliciting a statement from counsel as to what result might follow *"if"* Mr. Hackley had in some way done an improper act.

2. THE QUESTION IS NOT ONE OF EVIDENCE OR THE EXERCISE OF SUPERVISORY AUTHORITY BY THIS COURT. IT IS WHETHER PETITIONER HAS DEMONSTRATED ANY BASIS FOR THIS COURT'S REVIEWING THE CONCURRING HOLDINGS OF PRIVILEGE BY THE TWO LOWER COURTS.

Petitioner states that "one of the main questions of law presented to the Court of Appeals" was whether "the rule of evidence of *Clark* v. *United States*" applied to the documents.

While one cannot be certain just what "rule of evidence" in that case Petitioner refers to, let us assume that reference is made to the possibility of casting aside a privilege (in *Clark* it was a *juror's* privilege) if some showing is made of an abuse of the relationship from which the privilege arises. That is also the thrust of Petitioner's argument relative to the *Seismograph* decision, *supra*.

Contrary to what seems to be Petitioner's argument, both of the Courts below, of necessity, considered this same argument against a background of the case as whole and completely rejected Petitioner's position.

It is important to note that the Complaint not only charged Respondents with highly inequitable conduct in connection with Petitioner's alleged trade secret, but that it also explicitly accused Mr. Hackley of seeking to "conceal and shelter the piracy of plaintiff's process." The findings of fact and conclusions of law (219 F. Supp. 468) which were affirmed *per curiam* make it clear that after a very fair and thorough consideration such charges were totally rejected and the Complaint dismissed.

The *Clark* case involved an appeal from a criminal conviction of a juror for answering falsely on a *voir dire* examination conducted by the trial judge. One of the alleged errors urged by the Petitioner in that case was that certain evidence admitted during the criminal contempt trial was elicited improperly and in derogation of the petitioner's juror's privilege. The Court duly considered the history of such privilege and discussed its analogy to the attorney-client privilege before concluding as follows:

> "In the record now before us the evidence of guilt is ample, without the happenings in the jury room, to break down the claim of privilege, and thus let in the light. There is the evidence of the concealment of the petitioner's employment with all its sinister implications. There is the evidence of her arguments with the jurors while the trial was going on. There is even the evidence of her vote, for the fact that she had voted for acquittal had been stated in her answer, and to the extent of the voluntary disclosure the privilege had been waived. Indeed what happened in the jury room added so little to the case that the error, if there had been any, in permitting it to be proved, would

> have to be regarded as unsubstantial and without effect on the result. No one can read the findings of the triers of the facts and hesitate in concluding that even with this evidence omitted there would have been an adjudication of contempt. In considering with all this fulness the merits of the ruling, we have been moved by the desire to build securely for the future."

The contrast between the facts in the *Clark* case and in the case at bar is striking.

3. THE CONCURRING OPINIONS OF THE COURTS BELOW WHICH WHOLLY REJECTED PETITIONER'S CHARGES OF WRONGDOING ARE A COMPLETE ANSWER TO ARGUMENT THAT THE COURTS SHOULD HAVE EXPRESSLY PASSED ON THE CLARK CASE.

The same arguments which are now before this Court were made repeatedly and extensively below. In neither decision did the Courts consider it necessary or proper to discuss Petitioner's reckless charges of fraud.

In this Court Petitioner's argument is confused and confusing at best. It acknowledges that both lower Courts looked at the documents and held for Respondents. Yet it states (p. 11) in one breath

> ". . . insofar as this Petition is concerned, it makes no difference whether the Court examined them."

and then goes on to state:

> "The question of whether or not 'the privilege takes flight' cannot be decided by looking at the documents. This must be decided by examining other evidence to see if there is 'something to give colour to the charge' of fraud."

Despite the fact that the lower Courts have both considered all the evidence other than the documents in question and have even examined *in camera* those documents before holding for Respondents, Petitioner seems to be arguing that the question of "whether privilege takes flight" could only be established by examining "other evidence". So far as can be determined the "other evidence" is simply the evidence which the Courts have already considered. Yet, based on this circuitous reasoning, Petitioner argues that the Court should vacate the judgment below.

CONCLUSION.

Both the District Court and the Court of Appeals have held that the documents in question are privileged. Moreover, their dismissal of Petitioner's Complaint on all counts demonstrates that there is no "other evidence" which would "give colour to the charge of fraud".

The Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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SERVICE

Service of this Respondents' Brief Opposing Petition For Writ of Certiorari has been made upon Petitioner by mailing copies to Mr. Earl Babcock, their attorney, 200 Hightower Building, Oklahoma City, Oklahoma 73102, this 17th day of September, 1965.

Attorneys for Respondents

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965

No. 475

GREAT LAKES CARBON CORPORATION, *Petitioner,*

v.

CONTINENTAL OIL COMPANY, UNION CARBIDE CORPORATION ET AL., *Respondents.*

PETITIONER'S REPLY BRIEF

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GREAT LAKES CARBON CORPORATION, *Petitioner*,

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PETITIONER'S REPLY BRIEF

We do not believe Counsel for Respondents when they say (Respondents' Brief, page 8) that they cannot accurately state to this Court what it was that Judge Brown said at the hearing in the Court of Appeals on January 4th, 1965.

No lawyer can be told that his co-counsel has "tarred himself," and not remember it.

Respondents made no reply to the petition for rehearing in the Court of Appeals where we quoted (See

page 16a of the Appendix to our Petition for the Writ of Certiorari) what Judge Brown had said.

If we had erroneously quoted Judge Brown, we would have deserved and received most severe censure from the Court of Appeals.

The issue presented to this Court is not whether the impounded documents are privileged. We admit an attorney-client relationship existed.

Our Petition does not even present an issue to this Court as to whether an attorney for Continental Oil Company tarred himself with the result that Respondents lost the protection of the privilege. We have not sought a review of this question because we believe it should first be decided by the lower Courts.

The Brief for Respondents admits (page 10):

> "In neither decision did the Courts consider it necessary or proper to discuss Petitioner's reckless charges of fraud."

A charge of fraud is a very serious matter. Where such charge is made, we submit that it is the duty of the Courts to decide whether it exists or not.

The prayer of our Petition is that this Court require the lower Courts to find whether there was fraud and decide whether the rule of evidence as to when privilege takes flight, established by the authorities quoted in the Petition, pages 4 and 5, applies.

In the *Seismograph* (135 F. Supp. 342) case Judge Wright followed the rule of the *Clark* (289 U.S. 1) case under circumstances where ". . . the information elicited by discovery so far in this case does not by any means establish the charge as a fact . . ."

The Petition for Rehearing in the present case put the question squarely before the Court of Appeals and its denial, without opinion, was a refusal by that Court to rule on the question of whether *Clark* and *Seismograph* apply.

Such a refusal cannot constitute a "*complete answer* to the argument that the Court should have expressly passed on the *Clark* case". Nor, can such a refusal constitute a demonstration "that there is no 'other evidence' which would 'give colour to the charge of fraud.'" [The quotations are from Respondents' Brief, pages 10 and 11.] The guide lines thus laid down by this Court in the *Clark* case should be followed by the lower courts and a refusal to do so should warrant the exercise of supervisory authority.

Petitioner therefore submits that the relief prayed for in the Petition for Writ of Certiorari should be granted.

Respectfully submitted,

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Service

Service of this Reply Brief has been made upon Respondents by mailing copies, air mail, to Mr. C. Frederick Leydig, their attorney, One North LaSalle Street, Chicago, Illinois, 60602, this 27th day of September 1965.

WAYNE L. BENEDICT
Attorney for Petitioner